

PERAC

COMMONWEALTH OF MASSACHUSETTS | PUBLIC EMPLOYEE RETIREMENT ADMINISTRATION COMMISSION

PHILIP Y. BROWN, ESQ., *Chairman*

JOHN W. PARSONS, ESQ., *Executive Director*

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MEMORANDUM

TO: Marlborough Retirement Board

FROM: John W. Parsons, Esq., Executive Director

RE: Approval of Funding Schedule

DATE: September 20, 2021

This Commission is hereby furnishing you with approval of the revised funding schedule the Board recently adopted (copy enclosed). The schedule is effective in FY22 (since the amount under the prior schedule was maintained in FY22).

The Board maintained a 7.5% investment return assumption in this valuation. Note that this is greater than the high end of our reasonable range for this assumption as of January 1, 2021. We are typically recommending an assumption of 7.0% (or lower) for our 2021 actuarial valuations. Our reasonable range for our 2021 valuations is 6.0% to 7.45%. For comparison, 32 systems are using an assumption of 7.0% or below. We expect this to increase to about 40 when all the 2021 valuations are completed.

We are available to discuss these issues further. If you have any questions, please contact PERAC's Actuary, John Boorack, at (617) 666-4446, extension 935.

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Appropriation Forecast

Fiscal Year	Employee Contribution	Employer Normal Cost with Interest	Amortization Payments with Interest	Employer Total Cost with Interest	Employer Total Cost % of Payroll	Unfunded Liability	Funded Ratio %**
2022	\$3,423,826	\$1,214,346	\$8,310,230	\$9,524,576	25.0	\$52,908,848	79.0
2023	\$3,593,905	\$1,228,574	\$9,046,975	\$10,275,549	26.0	\$48,273,217	81.1
2024	\$3,772,112	\$1,241,997	\$9,408,854	\$10,650,851	25.9	\$42,513,605	83.8
2025	\$3,958,826	\$1,254,529	\$9,785,208	\$11,039,737	25.8	\$35,946,818	86.6
2026	\$4,154,441	\$1,266,076	\$10,176,616	\$11,442,692	25.7	\$28,497,311	89.6
2027	\$4,359,371	\$1,276,539	\$10,583,681	\$11,860,220	25.6	\$20,083,269	92.8
2028	\$4,574,049	\$1,285,814	\$11,007,028	\$12,292,842	25.5	\$10,616,120	96.3
2029	\$4,798,926	\$1,293,788	\$0	\$1,293,788	2.6	(\$0)	100.0
2030	\$5,034,474	\$1,300,343	\$0	\$1,300,343	2.5	(\$0)	100.0
2031	\$5,281,188	\$1,305,352	\$0	\$1,305,352	2.4	(\$0)	100.0
2032	\$5,539,584	\$1,308,682	\$0	\$1,308,682	2.3	(\$0)	100.0
2033	\$5,810,202	\$1,310,189	\$0	\$1,310,189	2.2	(\$0)	100.0
2034	\$6,093,606	\$1,309,723	\$0	\$1,309,723	2.1	(\$0)	100.0
2035	\$6,390,386	\$1,307,123	\$0	\$1,307,123	2.1	(\$0)	100.0
2036	\$6,701,159	\$1,302,220	\$0	\$1,302,220	2.0	(\$0)	100.0
2037	\$7,026,568	\$1,294,833	\$0	\$1,294,833	1.9	(\$0)	100.0
2038	\$7,367,289	\$1,284,772	\$0	\$1,284,772	1.8	(\$0)	100.0
2039	\$7,724,025	\$1,271,834	\$0	\$1,271,834	1.7	(\$0)	100.0
2040	\$8,097,512	\$1,255,805	\$0	\$1,255,805	1.6	(\$0)	100.0
2041	\$8,421,412	\$1,306,037	\$0	\$1,306,037	1.6	(\$0)	100.0
2042	\$8,758,269	\$1,358,279	\$0	\$1,358,279	1.6	(\$0)	100.0
2043	\$9,108,600	\$1,412,610	\$0	\$1,412,610	1.6	(\$0)	100.0
2044	\$9,472,944	\$1,469,114	\$0	\$1,469,114	1.6	(\$0)	100.0
2045	\$9,851,861	\$1,527,879	\$0	\$1,527,879	1.6	(\$0)	100.0
2046	\$10,245,936	\$1,588,994	\$0	\$1,588,994	1.6	(\$0)	100.0
2047	\$10,655,773	\$1,652,554	\$0	\$1,652,554	1.6	(\$0)	100.0
2048	\$11,082,004	\$1,718,656	\$0	\$1,718,656	1.6	(\$0)	100.0
2049	\$11,525,284	\$1,787,402	\$0	\$1,787,402	1.6	(\$0)	100.0
2050	\$11,986,296	\$1,858,898	\$0	\$1,858,898	1.6	(\$0)	100.0
2051	\$12,465,748	\$1,933,254	\$0	\$1,933,254	1.6	(\$0)	100.0
2052	\$12,964,378	\$2,010,585	\$0	\$2,010,585	1.6	(\$0)	100.0
2053	\$13,482,953	\$2,091,008	\$0	\$2,091,008	1.6	(\$0)	100.0

** Beginning of Fiscal Year